

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2012-37-E - ORDER NO. 2012-298

MAY 1, 2012

IN RE: Petition of Duke Energy Carolinas, LLC for	)	ORDER GRANTING
an Accounting Order to Defer and Record as	)	PETITION FOR AN
a Regulatory Asset a Research and	)	ACCOUNTING ORDER
Development Grant Made to Clemson	)	
University	)	

Pursuant to S.C. Code Ann. § 58-27-1540 (Supp. 2011), this matter comes before the Public Service Commission of South Carolina (“Commission”) on the Petition of Duke Energy Carolinas, LLC (“Duke” or the “Company”) to issue an accounting order for regulatory accounting purposes, authorizing the Company to defer and record as a regulatory asset \$1.5 million of a \$3 million research and development grant to be made to Clemson University. Clemson University will use the grant to build a 15 MW Hardware-in-the-Loop (“HIL”) Grid Simulator Facility at the Clemson University Restoration Institute (“CURI”) in North Charleston, South Carolina. The HIL Grid Simulator Facility will have the unique capability to model grid conditions anywhere in the world and will allow real equipment to be placed under simulated dynamic conditions to evaluate the impact on the grid of the device and the possible influences of the device on the grid. Thus, the facility will serve as a platform for testing and certifying new technology that supports the country’s future electrical energy goals and to educate the workforce of the future in power systems engineering.

Clemson University and the Company believe this project will spur economic development in the private sector by expediting movement of new energy-related technologies to the marketplace. In addition to hiring up to five new faculty and staff on-and-off campus to conduct research and teach in the areas of power systems, modeling, and grid compatibility, Clemson University plans to team with key industry partners to design, construct, and commission the 15 MW HIL Grid Simulator Facility. The project will assist the electric utility industry as it prepares to incorporate next-generation renewable and non-traditional technologies such as wind turbines, solar panels, battery storage devices, and electric vehicles.

The Company's request will not involve a change to any of Duke Energy Carolinas' rates or prices, or require any change in any Commission rule, regulation, or policy. The issuance of the requested accounting order will not prejudice the right of any party to address this issue in a subsequent general rate case proceeding. Accordingly, neither notice to the public nor a hearing is required regarding the Petition. The Office of Regulatory Staff has no objection to the issuance of the requested accounting order.

We grant the Petition and adopt ORS's position that such approval is on the basis that the deferral and reasonableness of these costs may be addressed in a future general rate case proceeding.

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This Order shall remain in full force and effect until further order of the Commission.

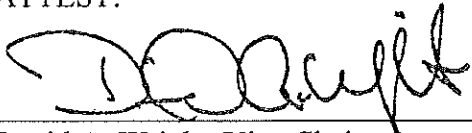
BY ORDER OF THE COMMISSION:



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John E. Howard, Chairman

ATTEST:



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David A. Wright, Vice Chairman  
(SEAL)